



**HUMAN RESOURCES OFFICE
TECHNICIAN / AGR ADMINISTRATIVE INSTRUCTION**

Number: 04-15

23 MAR 2004

THRIFT SAVINGS PLAN (TSP) OPEN SEASON

15 APRIL – 30 JUNE 2004

Expires 30 June 2004

1. The Thrift Savings Plan is a voluntary retirement savings and Investment plan for FERS (Federal Employees' Retirement System) and CSRS (Civil Service Retirement System) technicians. The purpose of the TSP is to provide retirement income. A major advantage of the TSP is that you pay no taxes on contributions or earnings until you withdraw from your account.

2. According to the latest TSP figures, only 74% of FERS California National Guard technicians are contributing to TSP (52% of CSRS employees are contributing to TSP). Every FERS employee should be contributing at least 5% to TSP to receive matching contributions (dollar for dollar on the first 3% and 50 cents per dollar on the next 2%). If FERS employees are not contributing 5% to TSP – they are not receiving their FREE (matching contributions) money. The TSP is a major component of FERS and those technicians that do not contribute or consider TSP to be an "optional" savings or checking account, will not have a retirement that will meet their needs or standard of living. FERS employees cannot afford to ignore this incredible investment opportunity.

3. Thrift Savings Plan (TSP) Open Season begins 15 April 2004 and ends 30 June 2004. During TSP Open Season, all technicians covered by FERS or CSRS may elect to (1) make contributions to the TSP, (2) change the amount they are contributing to the TSP, or (3) terminate their TSP contributions (without losing the right to resume contributions the next open season). Technicians covered by **FERS** may elect to contribute **up to 14%** of their basic pay. Technicians covered by **CSRS** may elect to contribute **up to 9%** of their basic pay. The Internal Revenue Service (IRS) annual limit is \$13,000 for 2004. If you are age 50 or older, and you are contributing the maximum amount of regular TSP contributions for which you are eligible, you may also elect to make additional "catch-up" contributions up to \$3,000 for 2004.

4. **The enrollment period is 15 April – 30 June 2004.** The enrollment period is the time technicians may use to make decisions regarding their TSP elections, complete the TSP-1, Election Form (and/or TSP-C-1 if you elect to make additional "catch-up" contributions), and to submit the form(s) to the Directorate of Human Resources, ATTN: Customer Services (Box 37), P.O. Box 269101, Sacramento, CA 95826-9101. **The election period is 1 – 30 June 2004.** The election period is when the election forms will be effective based on date of receipt in the Directorate for Human Resources:

Received in HRO	Effective Date of Election
15 April – 12 June 04	13 June 04
13 June – 26 June 04	27 June 04
27 June – 30 June 04	11 July 04

5. Employees may choose among five investment funds:

- Government Securities Investment (G) Fund – invested in short-term, risk-free U.S. Treasury securities that are specially issued to the TSP.
- Fix income Index Investment (F) Fund – invested in a bond index fund that tracks the Lehman Brothers U.S. Aggregate (LBA) bond index.
- Common Stock Index Investment (C) Fund – invested in a stock index fund that tracks the Standard & Poor's (S&P) 500 stock index (which comprises large companies).
- Small Capitalization Stock Index Investment (S) Fund – invested in a stock index fund that tracks the Wilshire 4500 stock index (which comprises small and medium companies).
- International Stock Index Investment (I) Fund – invested in a stock index fund that tracks the Morgan Stanley Capital International EAFE (Europe, Australasia, Far East) stock index (which comprises stocks in 21 countries).

Employees may choose or change their investments at any time using the TSP Web site (www.tsp.gov), the ThriftLine (504-255-8777), or Form TSP-50, Investment Allocation, in the following ways:

- Contribution allocation – specifies the way in which all new money coming into your account (payroll contributions, loan payments, transfers and rollovers from other retirement plans) is invested in the funds. **It does not affect the investment of your current balance.**
- Interfund transfer – redistributes the money already in your account. **It does not affect the investment of future contributions.**

6. Election forms will not be accepted after 30 June 2004. **Faxed copies of election forms will not be accepted at any time.** Election forms must be in the Directorate for Human Resources by close of business 30 June 2004. Please complete your election form in a timely manner to allow for mailing to the Directorate of Human Resources to meet the 30 June 2004 deadline. Election forms received after 30 June 2004 will be returned without action.

7. If you have any questions, contact Ms. Sharon Costello, Human Resources Assistant, at CAGNET 63158, DSN 466-3158 or (916) 854-3158.


STUART D. EWING
Captain, CA ANG
Deputy, Human Resources Officer

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